

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 12/31/2003

	As of <u>12-31-03</u>	As of <u>6-30-03</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,474,263,001	\$ 1,293,274,762
INTERNATIONAL EQUITIES	665,375,540	560,765,217
DOMESTIC FIXED INCOME	1,207,759,408	1,136,499,399
INTERNATIONAL FIXED INCOME	129,623,186	110,380,109
REAL ESTATE POOL	184,105,780	168,299,583
VENTURE CAPITAL	115,131,964	103,782,691
INVESTED CASH (NOTE 1)	<u>82,133,634</u>	<u>80,246,521</u>
TOTAL INVESTMENTS	3,858,392,513	3,453,248,282
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	14,351,163	14,239,321
CONTRIBUTIONS/ASSESSMENTS REC	4,722,250	6,260,471
MISCELLANEOUS RECEIVABLES	<u>1,806</u>	<u>43,806</u>
TOTAL RECEIVABLES	19,075,219	20,543,598
OTHER ASSETS		
OPERATING CASH (NOTE 2)	7,352,817	7,521,244
DUE FROM OTHER AGENCIES (NOTE 3)	93,120	54,660
FIXED ASSETS (NET) (NOTE 4)	<u>3,414</u>	<u>3,414</u>
TOTAL ASSETS	<u>\$ 3,884,917,083</u>	<u>\$ 3,481,371,198</u>
LIABILITIES:		
ACCOUNTS PAYABLE	2,138,386	2,220,333
ACCRUED EXPENSES	386,014	379,377
DUE TO OTHER AGENCIES (NOTE 5)	<u>93,122</u>	<u>54,660</u>
TOTAL LIABILITIES	2,617,522	2,654,370
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,478,716,828	3,346,332,984
CASH IN DURING YEAR (NOTE 6)	137,174,298	264,797,201
CASH OUT DURING YEAR (NOTE 7)	133,984,405	288,420,000
NET INCREASE (DECREASE)	<u>400,392,840</u>	<u>156,006,643</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>3,882,299,561</u>	<u>3,478,716,828</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u>\$ 3,884,917,083</u>	<u>\$ 3,481,371,198</u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 12/31/2003

	Month Ended <u>12-31-03</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 14,485,147	\$ 60,406,505
SECURITIES LENDING INCOME	<u>279,846</u>	<u>1,586,877</u>
	14,764,993	61,993,382
 GAIN ON SALE OF INVESTMENTS	 47,239,464	 218,155,078
LOSS ON SALE OF INVESTMENTS	<u>17,799,280</u>	<u>146,787,889</u>
 NET GAINS (LOSSES) INVESTMENTS	 29,440,184	 71,367,189
 INVESTMENT EXPENSES	 363,507	 5,210,877
SECURITIES LENDING EXPENSES	<u>218,713</u>	<u>1,236,096</u>
 NET INVESTMENT INCOME	 43,622,957	 126,913,598
 NET APPREC (DEPREC) MARKET VALUE	 78,818,070	 288,292,368
MISCELLANEOUS INCOME/(EXPENSE)	<u>194,666</u>	<u>281,468</u>
 TOTAL INVESTMENT INCOME	 122,635,693	 415,487,434
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 4,816,286	 22,794,220
PURCHASED SERVICE CREDIT (NOTE 9)	167,092	2,238,600
PENALTY & INTEREST (NOTE 10)	<u>(177)</u>	<u>(193)</u>
 TOTAL ADDITIONS	 <u>127,618,894</u>	 <u>440,520,061</u>
 DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	6,346,810	38,401,932
REFUNDS TO MEMBER (NOTE 12)	<u>101,903</u>	<u>1,066,680</u>
 TOTAL BENEFITS PAID	 6,448,713	 39,468,612
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	68,236	412,882
OPERATING EXPENSES	41,471	245,727
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>109,707</u>	 <u>658,609</u>
 TOTAL DEDUCTIONS	 <u>6,558,420</u>	 <u>40,127,221</u>
 NET INCREASE (DECREASE)	 <u>\$ 121,060,474</u>	 <u>\$ 400,392,840</u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
December 31, 2003

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

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Notes to Combined Financial Statement
12/31/2003

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.